

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items and Underlying Business

(In Thousands, Except for Share and Per Share Data)

Sysco's results of operations are impacted by certain items which include charges from the withdrawal from multiemployer pension plans, severance charges and charges from facility closures. Management believes that adjusting its operating expenses, operating income, net earnings and diluted earnings per share to remove these certain items provides an important perspective with respect to our results and provides meaningful supplemental information to both management and investors that removes these items which are difficult to predict and are often unanticipated, and which, as a result are difficult to include in analyst's financial models and our investors' expectations with any degree of specificity. Sysco believes the adjusted totals facilitate comparison on a year-over year basis.

Sysco's results of operations are further impacted by costs from our multi-year Business Transformation Project. Management believes that further adjusting its operating expenses, operating income, net earnings and diluted earnings per share to remove the impact of the Business Transformation Project expenses provides an important perspective with respect to underlying business trends and results and provides meaningful supplemental information to both management and investors that is indicative of the performance of the company's underlying operations and facilitates comparison on a year-over year basis.

The company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes. These financial measures should not be used as a substitute in assessing the company's results of operations for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. As a result, in the tables that follow, each period presented is adjusted to remove the certain items noted above. Each period has been further adjusted to remove expenses related to the Business Transformation Project.

	13-Week Period Ended Sept. 29, 2012	13-Week Period Ended Oct. 1, 2011	13-Week Period Change in Dollars	13-Week Period % Change
Operating expenses (GAAP)	\$ 1,524,762	\$ 1,438,260	\$ 86,502	6.0 %
Impact of MEPP charge	-	(4,500)	4,500	NM
Impact of severance charges	(6,077)	(1,029)	(5,048)	NM
Impact of charges from facility closures	(388)	-	(388)	NM
Adjusted operating expenses for certain items (Non-GAAP)	\$ 1,518,297	\$ 1,432,731	\$ 85,566	6.0 %
Impact of Business Transformation Project costs	(77,682)	(37,005)	(40,677)	109.9
Adjusted operating expenses - underlying business (Non-GAAP)	\$ 1,440,615	\$ 1,395,726	\$ 44,889	3.2 %
Operating Income (GAAP)	\$ 478,782	\$ 509,340	\$ (30,558)	-6.0 %
Impact of MEPP charge	-	4,500	(4,500)	NM
Impact of severance charges	6,077	1,029	5,048	NM
Impact of charges from facility closures	388	-	388	NM
Adjusted operating income for certain items (Non-GAAP)	\$ 485,247	\$ 514,869	\$ (29,622)	-5.8 %
Impact of Business Transformation Project costs	77,682	37,005	40,677	109.9
Adjusted operating income - underlying business (Non-GAAP)	\$ 562,929	\$ 551,874	\$ 11,055	2.0 %
Net earnings (GAAP)	\$ 286,598	\$ 302,653	\$ (16,055)	-5.3 %
Impact of MEPP charge (net of tax) ⁽¹⁾	-	2,840	(2,840)	NM
Impact of severance charges (net of tax) ⁽¹⁾	3,867	649	3,218	NM
Impact of charges from facility closures (net of tax) ⁽¹⁾	247	-	247	NM
Adjusted net earnings for certain items (Non-GAAP)	\$ 290,712	\$ 306,142	\$ (15,430)	-5.0 %
Impact of Business Transformation Project costs (net of tax) ⁽¹⁾	49,429	23,350	26,079	111.7
Adjusted net earnings - underlying business (Non-GAAP)	\$ 340,141	\$ 329,492	\$ 10,649	3.2 %
Diluted earnings per share (GAAP)	\$ 0.49	\$ 0.51	\$ (0.02)	-3.9 %
Impact of MEPP charge	-	0.01	(0.01)	NM
Impact of severance charges	0.01	-	0.01	NM
Impact of charges from facility closures	-	-	-	NM
Adjusted diluted EPS for certain items (Non-GAAP) ⁽²⁾	\$ 0.49	\$ 0.52	\$ (0.03)	-3.8 %
Impact of Business Transformation Project costs	0.08	0.04	0.04	100.0
Adjusted diluted EPS - underlying business (Non-GAAP) ⁽²⁾	\$ 0.58	\$ 0.56	\$ 0.02	3.6 %
Diluted shares outstanding	589,838,819	593,449,101		

⁽¹⁾ Tax impact of adjustments for MEPP charge, severance charges, charges from facility closures and Business Transformation expenses was \$30,604 and \$15,695 for the 13-week periods ended September 29, 2012 and October 1, 2011, respectively.

⁽²⁾ Individual components of diluted earnings per share may not add to the total presented due to rounding. Total diluted earnings per share is calculated using adjusted net earnings for certain items and adjusted net earnings - underlying business, both divided by diluted shares outstanding.

NM represents that the percentage change is not meaningful

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Free Cash Flow

(In Thousands)

Free cash flow represents net cash provided from operating activities less purchases of plant and equipment. Sysco considers free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after the purchases of buildings, fleet, equipment and technology, which may potentially be used to pay for, among other things, strategic uses of cash including dividend payments, share repurchases and acquisitions. We do not mean to imply that free cash flow is necessarily available for discretionary expenditures, however, as it may be necessary that we use it to make mandatory debt service or other payments. Free cash flow should not be used as a substitute in assessing the company's liquidity for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. In the table that follows, free cash flow for each period presented is reconciled to net cash provided by operating activities.

	13-Week Period Ended Sept. 29, 2012	13-Week Period Ended Oct. 1, 2011	13-Week Period Change in Dollars	13-Week Period % Change
Net cash provided by operating activities (GAAP)	\$ 213,201	\$ 255,343	\$ (42,142)	-16.5 %
Additions to plant and equipment	(155,673)	(226,547)	70,874	-31.3
Free Cash Flow (Non-GAAP)	\$ 57,528	\$ 28,796	\$ 28,732	99.8 %